



Department of Justice

FOR IMMEDIATE RELEASE
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JUSTICE DEPARTMENT MOVES TO STOP ANTICOMPETITIVE ACTIONS OF NATIONAL MEDICAL RESIDENCY TRADE ASSOCIATION

WASHINGTON, D.C. -- The Justice Department reached a settlement today with a Kansas City, Missouri-based association, which represents hospital residency program directors, that will stop the association from using "ethical" rules to restrict competition among its members. These rules barred residency programs from offering individual economic incentives to attract prospective family practice medical residents.

The Department's Antitrust Division filed a civil suit in U.S. District Court in Kansas City, Missouri, against the Association of Family Practice Residency Directors for restricting competition among its members for family practice medical residents. At the same time, the Division filed a proposed consent decree that, if approved by the court, would eliminate the challenged "ethical" rules and resolve the lawsuit.

The association represents about 95 percent of all U.S. family practice residency program directors that provide graduate education in the specialty of family practice medicine.

The Department said that this is the fifth antitrust suit involving anticompetitive trade association activity that it has filed in recent years.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "This association exceeded the

bounds of legitimate professional conduct when it established guidelines to limit competition among family practice residency programs seeking to employ residents. Professional associations must resist the impulse to use their collective power to restrict competition among their members."

According to the complaint, the Association of Family Practice Residency Directors:

- Issued guidelines governing recruiting of prospective residents by family residency programs.
- Through the guidelines, prohibited the offering of individualized economic inducements to candidates and prohibited the use of certain other competitive recruiting practices.
- Published the guidelines and ensured compliance with them.

The proposed consent decree requires the Association of Family Practice Residency Directors to withdraw the challenged guidelines. Also, the association may not promulgate similar rules in any form.

As required by the Antitrust Procedures and Penalties Act, the proposed consent decree will be published in the Federal Register, along with the Department's competitive impact statement, which will describe the case and the proposed relief.

Any person may submit written comments concerning the proposed consent decree during a 60-day comment period to Gail Kursh, Chief, Health Care Task Force, Antitrust Division, U.S. Department of Justice, 325 7th Street, N.W., Washington, D.C. 20530.

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